House Bill 3067
Sponsored by Representative MARSH (at the request of League of Oregon Cities (LOC))

SUMMARY
The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Provides for cities and counties to certify annually that city or county has not adopted ordinance prohibiting establishment requiring marijuana-related business license and is therefore eligible for distribution of Oregon Marijuana Account moneys. Requires certification with Oregon Department of Administrative Services.

Applies to transfers of moneys in calendar quarters beginning on or after January 1, 2020.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT
Relating to distribution of marijuana tax revenues to local governments; creating new provisions; amending ORS 475B.496 and 475B.759; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 475B.759, as amended by section 1, chapter 81, Oregon Laws 2018, is amended to read:

475B.759. (1) There is established the Oregon Marijuana Account, separate and distinct from the General Fund.

(2) The account shall consist of moneys transferred to the account under ORS 475B.760.

(3)(a) The Department of Revenue shall certify quarterly the amount of moneys available in the Oregon Marijuana Account.

(b) Subject to subsection (4) of this section, the department shall transfer quarterly 20 percent of the moneys in the Oregon Marijuana Account as follows:

(A) Ten percent of the moneys in the account must be transferred to the cities of this state in the following shares:

(i) Seventy-five percent of the 10 percent must be transferred in shares that reflect the population of each city of this state that is not exempt from this paragraph pursuant to subsection (4)(a) of this section compared to the population of all cities of this state that are not exempt from this paragraph pursuant to subsection (4)(a) of this section, as determined by Portland State University under ORS 190.510 to 190.610, on the date immediately preceding the date of the transfer; and

(ii) Twenty-five percent of the 10 percent must be transferred in shares that reflect the number of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100 and 475B.105 on the last business day of the calendar quarter preceding the date of the transfer for premises located in each city compared to the number of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100 and 475B.105 on the last business day of that calendar quarter for all premises in this state located in cities; and

(B) Ten percent of the moneys in the account must be transferred to counties in the following shares:

(i) Fifty percent of the 10 percent must be transferred in shares that reflect the total commercially available area of all grow canopies associated with marijuana producer licenses held pursuant

NOTE: Matter in boldfaced type in an amended section is new; matter [italic and bracketed] is existing law to be omitted. New sections are in boldfaced type.

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to ORS 475B.070 on the last business day of the calendar quarter preceding the date of the transfer
for all premises located in each county compared to the total commercially available area of all
grow canopies associated with marijuana producer licenses held pursuant to ORS 475B.070 on the
last business day of that calendar quarter for all premises located in this state; and

(ii) Fifty percent of the 10 percent must be transferred in shares that reflect the number of li-
censes held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last business day of the cal-
endar quarter preceding the date of the transfer for premises located in each county compared to
the number of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last business
day of that calendar quarter for all premises in this state.

(c) Eighty percent of the moneys in the Oregon Marijuana Account must be used as follows:

(A) Forty percent of the moneys in the account must be used solely for purposes for which
moneys in the State School Fund established under ORS 327.008 may be used;

(B) Twenty percent of the moneys in the account must be used solely for mental health treat-
ment or for alcohol and drug abuse prevention, early intervention and treatment;

(C) Fifteen percent of the moneys in the account must be used solely for purposes for which
moneys in the State Police Account established under ORS 181A.020 may be used; and

(D) Five percent of the moneys in the account must be used solely for purposes related to al-
cohol and drug abuse prevention, early intervention and treatment services.

(4)(a) A city that has an ordinance prohibiting the establishment of a premises for which issu-
ance of a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105 is required is not eligible to
receive transfers of moneys under subsection (3)(b)(A) of this section.

(b) A county that has an ordinance prohibiting the establishment of a premises for which issu-
cance of a license under ORS 475B.070 is required is not eligible to receive transfers of moneys under
subsection (3)(b)(B)(i) of this section.

(c) A county that has an ordinance prohibiting the establishment of a premises for which issu-
cance of a license under ORS 475B.090, 475B.100 or 475B.105 is required is not eligible to receive
transfers of moneys under subsection (3)(b)(B)(ii) of this section.

(d) A city or county that is ineligible under this subsection to receive a transfer of
moneys during a given quarter but has received a transfer of moneys under this section for
that quarter shall return the amount transferred to the Department of Revenue, with in-
terest at the rate established in ORS 305.220.

[(5)] (5)(a) [In a form and manner prescribed by the Oregon Liquor Control Commission.] Not
later than July 1 of each year, each city and county in this state shall certify with the
Oregon Department of Administrative Services whether the city or county has an
ordinance prohibiting the establishment of a premises for which issuance of a license under ORS
475B.070, 475B.090, 475B.100 or 475B.105 is required. The certification shall be made concur-
rently with certifications under ORS 221.770, in a form and manner prescribed by the Oregon
Department of Administrative Services.

(b) If a city fails to comply with this subsection, the city is not eligible to receive transfers of
moneys under subsection (3)(b)(A) of this section. If a county fails to comply with this subsection,
the county is not eligible to receive transfers of moneys under subsection (3)(b)(B) of this section.

(c) A city or county that repeals an ordinance as provided in ORS 475B.496 is not eligible
to receive a subsequent quarterly transfer of moneys under this section if the city or county
fails to notify the Oregon Department of Administrative Services of the repeal as provided
in ORS 475B.496 at least five days before the date of transfer.

[2]
SECTION 2. ORS 475B.759, as amended by sections 1 and 2, chapter 81, Oregon Laws 2018, is amended to read:

475B.759. (1) There is established the Oregon Marijuana Account, separate and distinct from the General Fund.

(2) The account shall consist of moneys transferred to the account under ORS 475B.760.

(3)(a) The Department of Revenue shall certify quarterly the amount of moneys available in the Oregon Marijuana Account.

(b) Subject to subsection (4) of this section, the department shall transfer quarterly 20 percent of the moneys in the Oregon Marijuana Account as follows:

(A) Ten percent of the moneys in the account must be transferred to the cities of this state in the following shares:

(i) Seventy-five percent of the 10 percent must be transferred in shares that reflect the population of each city of this state that is not exempt from this paragraph pursuant to subsection (4)(a) of this section compared to the population of all cities of this state that are not exempt from this paragraph pursuant to subsection (4)(a) of this section, as determined by Portland State University under ORS 190.510 to 190.610, on the date immediately preceding the date of the transfer; and

(ii) Twenty-five percent of the 10 percent must be transferred in shares that reflect the number of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100 and 475B.105 on the last business day of the calendar quarter preceding the date of the transfer for premises located in each city compared to the number of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100 and 475B.105 on the last business day of that calendar quarter for all premises in this state located in cities; and

(B) Ten percent of the moneys in the account must be transferred to counties in the following shares:

(i) Fifty percent of the 10 percent must be transferred in shares that reflect the total commercially available area of all grow canopies associated with marijuana producer licenses held pursuant to ORS 475B.070 on the last business day of the calendar quarter preceding the date of the transfer for all premises located in each county compared to the total commercially available area of all grow canopies associated with marijuana producer licenses held pursuant to ORS 475B.070 on the last business day of that calendar quarter for all premises located in this state; and

(ii) Fifty percent of the 10 percent must be transferred in shares that reflect the number of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last business day of the calendar quarter preceding the date of the transfer for premises located in each county compared to the number of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last business day of that calendar quarter for all premises located in this state.

(c) Eighty percent of the moneys in the Oregon Marijuana Account must be used as follows:

(A) Forty percent of the moneys in the account must be used solely for purposes for which moneys in the State School Fund established under ORS 327.008 may be used;

(B) Twenty percent of the moneys in the account must be used solely for purposes for which moneys in the Mental Health Alcoholism and Drug Services Account established under ORS 430.380 may be used;

(C) Fifteen percent of the moneys in the account must be used solely for purposes for which moneys in the State Police Account established under ORS 181A.020 may be used; and

(D) Five percent of the moneys in the account must be used solely for purposes related to alcohol and drug abuse prevention, early intervention and treatment services.

(4)(a) A city that has an ordinance prohibiting the establishment of a premises for which issu-
ance of a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105 is required is not eligible to receive transfers of moneys under subsection (3)(b)(A) of this section.

(b) A county that has an ordinance prohibiting the establishment of a premises for which issuance of a license under ORS 475B.070 is required is not eligible to receive transfers of moneys under subsection (3)(b)(B)(i) of this section.

(c) A county that has an ordinance prohibiting the establishment of a premises for which issuance of a license under ORS 475B.090, 475B.100 or 475B.105 is required is not eligible to receive transfers of moneys under subsection (3)(b)(B)(ii) of this section.

(d) A city or county that is ineligible under this subsection to receive a transfer of moneys during a given quarter but has received a transfer of moneys under this section for that quarter shall return the amount transferred to the Department of Revenue, with interest at the rate established in ORS 305.220.

[(5)] (5)(a) [In a form and manner prescribed by the Oregon Liquor Control Commission,] Not later than July 1 of each year, each city and county in this state shall certify with the Oregon Department of Administrative Services whether the city or county has an ordinance prohibiting the establishment of a premises for which issuance of a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105 is required. The certification shall be made concurrently with the certifications under ORS 221.770, in a form and manner prescribed by the Oregon Department of Administrative Services.

(b) If a city fails to comply with this subsection, the city is not eligible to receive transfers of moneys under subsection (3)(b)(A) of this section. If a county fails to comply with this subsection, the county is not eligible to receive transfers of moneys under subsection (3)(b)(B) of this section.

(c) A city or county that repeals an ordinance as provided in ORS 475B.496 is not eligible to receive a subsequent quarterly transfer of moneys under this section if the city or county fails to notify the Oregon Department of Administrative Services of the repeal as provided in ORS 475B.496 at least five days before the date of transfer.

SECTION 3. ORS 475B.496 is amended to read:

475B.496. (1) The governing body of a city or county may repeal an ordinance that prohibits the establishment of any one or more of the following in the area subject to the jurisdiction of the city or in the unincorporated area subject to the jurisdiction of the county:

(a) Marijuana processing sites registered under ORS 475B.840;

(b) Medical marijuana dispensaries registered under ORS 475B.858;

(c) Marijuana producers that hold a license issued under ORS 475B.070;

(d) Marijuana processors that hold a license issued under ORS 475B.090;

(e) Marijuana wholesalers that hold a license issued under ORS 475B.100;

(f) Marijuana retailers that hold a license issued under ORS 475B.105;

(g) Marijuana producers that hold a license issued under ORS 475B.070 and that the Oregon Liquor Control Commission has designated as an exclusively medical licensee under ORS 475B.122;

(h) Marijuana processors that hold a license issued under ORS 475B.090 and that the commission has designated as an exclusively medical licensee under ORS 475B.127;

(i) Marijuana wholesalers that hold a license issued under ORS 475B.100 and that the commission has designated as an exclusively medical licensee under ORS 475B.129;

(j) Marijuana retailers that hold a license issued under ORS 475B.105 and that the commission has designated as an exclusively medical licensee under ORS 475B.131; or

(k) Any combination of the entities described in this subsection.
(2) If the governing body of a city or county repeals an ordinance under this section, the governing body must provide the text of the ordinance:

(a) To the Oregon Health Authority, in a form and manner prescribed by the authority, if the ordinance concerns a medical marijuana dispensary registered under ORS 475B.858 or a marijuana processing site registered under ORS 475B.840; or

(b)(A) To the commission, in a form and manner prescribed by the commission, if the ordinance concerns a premises for which a license has been issued under ORS 475B.010 to 475B.545[.]; and

(B) To the Oregon Department of Administrative Services, in a form and manner prescribed by the department, within 30 days of enactment of the repeal of the ordinance, if the ordinance concerns a premises for which issuance of a license is required under ORS 475B.070, 475B.090, 475B.100 or 475B.105.

SECTION 4. The amendments to ORS 475B.496 and 475B.759 by sections 1 to 3 of this 2019 Act apply to transfers of moneys in calendar quarters beginning on or after January 1, 2020.

SECTION 5. This 2019 Act takes effect on the 91st day after the date on which the 2019 regular session of the Eightieth Legislative Assembly adjourns sine die.